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Investing in rural people

Ad hoc Working Group on Governance Workplan for 2015

Note to Governors

Focal points:

Technical questions:

Ra it Pertev
Secretary of IFAD
Tel.: +39 06 5459 2254
e-mail: r.pertev@ifad.org

Dispatch of documentation:

Deirdre McGrenra
Head, Governing Bodies Office
Tel.: +39 06 5459 2374
e-mail: gb_office@ifad.org

Ad hoc Working Group on Governance — First meeting
Rome, 14 April 2015

For: Approval

Recommendation for approval

The Ad hoc Working Group is invited to review and approve the workplan for 2015 as set out in the attachment, bearing in mind that changes may be necessary to accommodate emerging needs.

Ad hoc Working Group on Governance - Workplan for 2015

1. At its thirty-eighth session in February 2015, the Governing Council approved the establishment, responsibilities, composition, mode of operation and time frame of the Ad hoc Working Group on Governance, in accordance with the terms of reference as contained in the annex of the present document.
2. In order to ensure that the Working Group is able to complete its deliberations prior to the fortieth session of the Governing Council, the attachment contains a proposed time frame for meetings during 2015, together with a workplan for the Working Group's consideration. This workplan is tentative and should be considered a living document, as changes may prove necessary to accommodate emerging needs. Management will provide support to the Working Group, including with respect to interpretation and translation. Management will also undertake research and draft documentation and presentations, as appropriate and at the request of the members of the Working Group.
3. In accordance with the decision of the Governing Council, the Working Group will brief the Executive Board regularly on progress. A time frame for provision of such updates is also provided. It is proposed that, when the provision of written reports is deemed appropriate, these are drafted by the Secretariat and circulated to the Chairperson and the two Vice-Chairpersons of the Working Group for approval to distribute to Board representatives for their consideration.
4. The deliberations and outcomes of the meetings held in 2015 will provide more clarity as to the areas requiring further exploration and review in 2016. On this basis, the Working Group will consider its workplan for 2016 at its last session in 2015.

Proposed workplan for 2015

Meeting	Date	Proposed topics for discussion	Outcomes
First	14 April	<ul style="list-style-type: none"> • Terms of reference of the Working Group <ul style="list-style-type: none"> - Background and IFAD List system - Replenishment-related matters • Workplan for 2015 and way forward 	Oral report EB114 (April 2015)
Second	3 June	<ul style="list-style-type: none"> • Terms of reference 4(a): "...Governance-related recommendations arising from the CLER, particularly with regard to the structure, appropriateness and relevance of the IFAD List system. The group will also review and assess the implications and potential impact on all IFAD governing bodies with regard to any changes to the List system as well as Member State representation..." • IFAD's list system and representation on governing bodies Based on documentation and presentations provided, the Working Group will consider the historical context relative to the establishment of the IFAD List system, developments over time, and the findings and recommendations of the corporate-level evaluations of IFAD's institutional efficiency and efficiency of IFAD-funded operations (CLEE) and IFAD Replenishments (CLER) in this respect. The Working Group will also review the representation of Member States on IFAD's governing bodies (including subsidiary bodies of the Governing Council and the Executive Board), considering how this has changed over time. 	Report to EB115 (September 2015)
Third	7 October	<ul style="list-style-type: none"> • Replenishment cycles and Consultation composition (IFAD and other international financial institutions) Based on documentation and presentations provided and bearing in mind the findings of the CLER with respect to Replenishment-related matters, the Working Group will consider: the current practice at IFAD with respect to the length of Replenishment cycles; the practice at comparator institutions, and; the pros and cons of maintaining the current practice or lengthening the Replenishment cycle. The Working Group will also review the composition of the Replenishment Consultation, considering how this has changed over time. • Workplan for 2016 The Working Group will consider and define a workplan for 2016, with a view to finalizing its deliberations and agreeing on a report for consideration by the Executive Board in December 2016. This report, together with the recommendations of the Executive Board, if any, will then be submitted to the Governing Council in February 2017. 	Report to EB116 (December 2015)

Tentative workplan for 2016

Meeting	Date	Proposed topics for discussion	Outcomes
Fourth	March/April	To be determined	Report to EB117 (April 2016)
Fifth	June/July	To be determined	Report to EB118 (September 2016)
Sixth	October	Draft report of the Ad hoc Working Group on Governance	Report to EB119 (December 2016) and subsequently to GC40 (February 2017)

Ad hoc Working Group on Governance: Terms of Reference

Background

1. IFAD's Executive Board considered the findings of the corporate-level evaluation on IFAD replenishments (CLER) at its 111th session in April 2014. During discussions on IFAD's governance structure and on participation and representation of IFAD's Member States in governance processes and replenishment consultations, it was agreed that it would be opportune to review the List system, particularly with respect to effective representation of Member States in IFAD's governing bodies. The length of replenishment cycles was also considered as an issue for review.
2. The CLER was also considered by the IFAD10 Consultation at its second session in June 2014 and both the Executive Board and the IFAD10 Consultation members expressed their broad support for the proposal of setting up an inter-Consultation working group of members to address these governance issues.
3. It was agreed at the second session of the IFAD10 Consultation that Management would prepare the draft terms of reference for the working group, and that these would be discussed at the third session of the IFAD10 Consultation in October. On this basis, the draft terms of reference, mode of operation and composition are proposed below.

Establishment and responsibilities

4. An inter-Consultation working group will be established to consider governance issues. In particular, the working group will:
 - (a) review and assess the governance-related recommendations arising from the CLER, particularly with regard to the structure, appropriateness and relevance of the IFAD List system. The group will also review and assess the implications and potential impact on all IFAD governing bodies with regard to any changes to the List system as well as Member State representation;
 - (b) review and assess the composition and representation of the replenishment consultation and the length of replenishment cycles in IFAD11 and beyond; and
 - (c) make proposals on (a) and (b) above for consideration by the Executive Board for submission to the Governing Council, as appropriate.
5. In so doing, the working group may also review current practices of other international financial institutions (IFIs) and consult with relevant experts, with respect to governance structure, replenishment procedures and composition.

Composition

6. The working group shall be composed of nine Members as follows:
 - List A: 4 Members: Denmark, Italy, United Kingdom and the United States;
 - List B: 2 Members: Indonesia and the Bolivarian Republic of Venezuela; and
 - List C: 3 Members: Sub-List C1 – Angola; Sub-List C2 – Pakistan; Sub-List C3 - Argentina.
7. IFAD Members who are not Members of the working group may also participate in meetings as observers with the right to speak.
8. In the event that a Member should withdraw from participation in the working group, the List to which the Member belongs will nominate a replacement from that List and communicate the new Member to the Secretary of IFAD.

Decision-making

9. The group will make decisions on the basis of consensus.

Mode of operation and time frame

10. At its first meeting, the working group will elect ad personam one chairperson from List C and two vice-chairpersons, one from List A and one from List B. Management shall provide support to the working group, including with respect to interpretation and translation.
11. The working group, thus established, will brief the Executive Board regularly on progress. It will submit a report on the results of its deliberations and any recommendations thereon to the Executive Board in December 2016 for submission to the fortieth session of the Governing Council in February 2017 for endorsement, and with a view to adopting such resolutions as may be appropriate. Upon adoption by the Governing Council, any changes to the List system would come into force and effect after the IFAD10 period.